

Message Text

CONFIDENTIAL

PAGE 01 KINSHA 07520 161115Z

12

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 NSC-05

SS-15 STR-04 CEA-01 /091 W
----- 090644

P R 161050Z AUG 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 4105

INFO AMEMBASSY PARIS

AMEMBASSY BRUSSELS

C O N F I D E N T I A L KINSHASA 7520

E.O. 11652: GDS

TAGS: EFIN, ECON, CG

SUBJ: FRENCH-GOZ COPPER CONTRACT

PASS TREASURY, EXIM, OPIC

1. AFTER TALKS WITH BISENGIMANA, AND FRENCH AMBASSADOR ROSS, I BELIEVE WE HAVE A PRETTY GOOD IDEA OF WHAT THE FRENCH-GOZ COPPER "ACCORD" IS ABOUT. IT IS A CONTRACT BETWEEN THE FRENCH, GIRM AND THE ZAIRIANS, SOZACOM, WHEREBY THE FRENCH AGREE TO BUY 50,000 METRIC TONS OF COPPER A YEAR DIRECTLY FROM SOZACOM FOR SEVEN YEARS. THE CONTRACT WILL BE SIGNED WITHIN THE NEXT FEW DAYS. IT DOES NOT INVOLVE ADVANCE PAYMENTS BY THE FRENCH AND THE PRICE IS TO BE DETERMINED AT THE TIME OF THE SALE AND WILL BE BASED UPON THE PREVAILING MARKET CONDITIONS, IN ACCORDANCE WITH THE USUAL TERMS OF LONG TERM CONTRACTS.

2. AMBASSADOR ROSS INSISTED THAT THERE WAS NOTHING FISHY ABOUT THE DEAL. FRANCE HISTORICALLY TAKES SOME 110 TONS OF ZAIRIAN COPPER -- 33 DIRECTLY FROM ZAIRE THROUGH SGM AND 77 FROM HOBOKEN. SINCE SOZACM IS NOW
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 07520 161115Z

RUNNING ITS OWN SHOW, FRANCE HAS A PERFECT RIGHT TO DEAL

DIRECTLY WITH IT RATHER THAN SGM. FRANCE WILL CONTINUE TO TAKE ITS USUAL AMOUNT OF COPPER THROUGH HOBOKEN. ROSS WENT OUT OF HIS WAY TO ASSURE ME THAT FRANCE HAD NO INTENTION OF DISPLACING BELGIUM OR OF GOING BEHIND ITS BACK.

3. IN RESPONSE TO MY QUESTION, ROSS SAID THAT THE SIGNIFICANCE OF THE CONTRACT WAS THAT FRANCE, HISTORICALLY A SPOT PURCHASER, HAD ENTERED INTO A LONG TERM CONTRACT GUARANTEEING THE PURCHASE OF ZAIRIAN COPPER OVER SEVEN YEARS. ZAIRE COULD, USING THIS CONTRACT AS A "GUARANTEE" PARLAY THE ACCORD INTO A BALANCE OF PAYMENTS LOAN FROM PRIVATE BANKS. ROSS THEN SAID THAT SUCH A DEAL HAD BEEN PUT TOGETHER BETWEEN FRENCH BANKERS AND LIBYA, BUT THAT IT HAD FALLEN THROUGH BECAUSE OF LAST MINUTE LIBYAN PULL-BACK. THIS WAS BEFORE MOBUTU'S MOVE ON THE ISRAELI QUESTION AT KAMPALA.

4. ROSS INTIMATED THAT THE LOAN MIGHT NOW BE BACK ON THE TRACKS -- USING "OTHER ARAB MONEY". HE SAID THAT IF SUCH WERE TO TRANSPIRE, IT COULD BE PRESENTED AS PART OF A MULTI-LATERAL EFFORT TO RESOLVE ZAIRE'S BALANCE OF PAYMENTS PROBLEMS (SEE SEPTTEL).
WALKER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, AGREEMENTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KINSHA07520
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750284-0199
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750846/aaaabnp0.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2003 by CunninFX>; APPROVED <24 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH-GOZ COPPER CONTRACT PASS TREASURY, EXIM, OPIC
TAGS: EFIN, ECON, CG, FR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006